



EDUCATION CABINET  
DEPARTMENT FOR WORKFORCE INVESTMENT  
OFFICE OF EMPLOYMENT AND TRAINING

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**Issued via email**

**INFORMATION MEMO #113**

TO: Local Workforce Investment Area Directors and Fiscal Officer  
FROM: Gill Finley, Branch Manager  
RE: Distribution of recaptured funds from LWIA non-expenditure of 2-year funds  
DATE: March 15, 2007

*In accordance with WIA Regulation 667.107(2) Funds which are not expended by a local area in the two-year period described in paragraph (b)(1) of this section, must be returned to the State. Funds so returned are available for expenditure by State and local recipients and subrecipients only during the third program year of availability. These funds may: (i) be used for Statewide projects, or (ii) Be distributed to other local areas which had fully expended their allocation of funds for the same program year within the two-year period.*

Eligible local areas may apply for these funds by submitting a plan with their projected expenditures for the current program year.

- OET will review LWIA December reports to determine unexpended 2-year funds. Funds will be recaptured and awarded in February and must be expended by June 30 of the same year.
- The minimum/maximum amount of funds which a local area may receive will be determined by the State based on fund availability, plan for projected expenditures, and obligation and expenditure rates.
- If the recaptured amount in any one funding stream is less than \$10,000, the local area with the highest obligation and expenditure rates will receive the entire amount. The obligation/expenditure rates considered will be the most recent PY/FY funds received and determined by the most recent quarterly obligation/expenditure rate report.
- If the recaptured amount in any one funding stream is greater than \$10,000, the funds will be divided among the local areas that have over a 50% expenditure rate and 50% obligation rate in the funding stream. If no LWIA has a rate greater than 50%, funds will be awarded based on plan for projected expenditures with consideration given to LWIA expenditure and obligation rates. The obligation/expenditure rates considered will be the most recent PY/FY funds received and determined by the most recent quarterly obligation/expenditure rate report.

If further information is required, please contact Linda Prewitt at 502-564-5360 or LindaA.Prewitt@ky.gov.